

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name W.U.P.P.D.R.	County HOUGHTON
Fiscal Year End SEPT 30 2006	Opinion Date FEBRUARY 15 2007	Date Audit Report Submitted to State MARCH 31, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

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Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☐ ☒ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

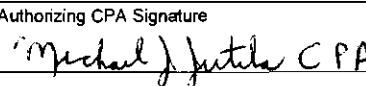
We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) JUTILA JORGENSON & ASSOCIATES P C		Telephone Number 906-482-2358	
Street Address PO BOX 175		City HOUGHTON	State MI
Zip 49931			
Authorizing CPA Signature 	Printed Name MICHAEL J JUTILA	License Number 1101024074	

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Jutila, Jorgenson, and Associates PC
P.O. Box 175
Houghton, MI 49931-0175
906-482-2358
February 20, 2007

Independent Auditor's Report

Board of Commissioners
Western Upper Peninsula Planning and
Development Regional Commission
Houghton, Michigan 49931

We have audited the accompanying general purpose financial statements of the Western Upper Peninsula Planning and Development Regional Commission as of and for the year then ended September 30, 2006. These general purpose financial statements are the responsibility of the Region's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

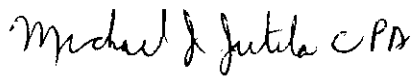
As discussed in Note J to the financial statements, the Western Upper Peninsula Planning and Development Regional Commission did not adopt fiscal year budgets for all of its governmental funds. Accordingly a statement of revenues, expenditures and changes in fund balances – budget and actual – all governmental fund types is not included in the general purpose financial statements as required by generally accepted accounting principles.

In our opinion, except for the omission of the statement of revenues, expenditures and changes in fund balance – budget and actual – all governmental fund types, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Western Upper Peninsula Planning and Development Regional Commission as of September 30, 2006, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated February 20, 2007, on our consideration of the Western Upper Peninsula Planning and Development Regional Commission's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The supplemental financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Western Upper Peninsula Planning and Development Regional Commission. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,



Michael J. Jutila, CPA
Certified Public Accountant
Jutila, Jorgenson, and Associates PC

Jutila, Jorgenson, and Associates PC
Certified Public Accountant
P.O. Box 175
Houghton, Michigan 49931
February 20, 2007

**Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

Board of Commissioners
Western Upper Peninsula Planning and
Development Regional Commission
Houghton, Michigan 49931

We have audited the general purpose financial statements of the Western Upper Peninsula Planning and Development Regional Commission as of and for the year ended September 30, 2006, and have issued our report thereon dated February 20, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Western Upper Peninsula Planning and Development Regional Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under "Government Auditing Standards".

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Western Upper Peninsula Planning and Development Regional Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur

and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider being material weaknesses.

This report is intended for the information of the Western Upper Peninsula Planning and Development Regional Commission, the oversight audit agency, and other federal and state audit agencies and is not intended to be and should not be used by anyone other than these specific parties.

Respectfully submitted,

A handwritten signature in black ink that reads "Michael J. Jutila CPA". The signature is written in a cursive style with a large, stylized "M" and "J".

Michael J. Jutila, CPA
Certified Public Accountant
Jutila, Jorgenson, and Associates PC

GENERAL PURPOSE FINANCIAL STATEMENTS

WESTERN UPPER PLANNING AND DEVELOPMENT REGIONAL COMMISSION

Combined Balance Sheet

All Fund Types and Account Groups

September 30, 2006

	<u>Government Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
ASSETS AND OTHER DEBITS		
Cash	\$ 131,397	\$ 11,373
Receivables:		
Grants receivable	-	424,837
Notes receivable - current portion	-	-
Notes receivable - non-current portion	-	-
Other receivables	9,675	-
Prepaid expenses	14,769	-
Deferred expenses	-	-
Due from general fund	-	14,769
Due from other funds	353,552	-
Equipment (net)	-	-
Building (Net)	-	-
Land	-	-
	<u>\$ 509,393</u>	<u>\$ 450,979</u>
LIABILITIES		
Accounts payable	\$ -	\$ 25,872
Accrued vacation	-	-
Accrued payroll and taxes	-	5,786
Due to general fund	-	211,842
Due to other funds	25,919	-
Deferred revenue	-	207,479
	<u>\$ 25,919</u>	<u>\$ 450,979</u>
FUND EQUITY AND OTHER CREDITS		
Investments in fixed assets	\$ -	\$ -
Retained earnings- unreserved	-	-
Retained earnings- reserved	-	-
Fund balance- restricted	-	-
Fund balance- unrestricted	483,474	-
	<u>\$ 483,474</u>	<u>\$ -</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$ 509,393</u>	<u>\$ 450,979</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION

Combined Balance Sheet
All Fund Types and Account Groups
September 30, 2006

	Proprietary Fund Types		Account Group
	Enterprise	Internal Service	General Fixed Assets
ASSETS AND OTHER DEBITS			
Cash	\$ -	\$ 3,313	\$ -
Receivables:			
Grants receivable	115,009	-	-
Notes receivable - current portion	-	-	-
Notes receivable - non-current portion	-	-	-
Other receivables	-	-	-
Prepaid expenses	-	1,477	-
Deferred expenses	-	-	-
Due from general fund	2,521	8,629	-
Due from other funds	-	-	-
Equipment (net)	-	5,298	21,199
Building (Net)	-	129,755	-
Land	-	13,500	-
TOTAL ASSETS AND OTHER DEBITS	\$ 117,530	\$ 161,972	\$ 21,199
LIABILITIES			
Accounts payable	\$ 3,286	\$ 432	\$ -
Accrued vacation	-	11,018	-
Accrued payroll and taxes	1,338	1,512	-
Due to general fund	-	141,710	-
Due to other funds	-	-	-
Deferred revenue	107,046	-	-
TOTAL LIABILITIES	\$ 111,670	\$ 154,672	\$ -
FUND EQUITY AND OTHER CREDITS			
Investments in fixed assets	\$ -	\$ -	\$ 21,199
Retained earnings- unreserved	5,860	-	-
Retained earnings- reserved	-	7,300	-
Fund balance- restricted	-	-	-
Fund balance- unrestricted	-	-	-
TOTAL FUND EQUITY AND OTHER CREDITS	\$ 5,860	\$ 7,300	\$ 21,199
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 117,530	\$ 161,972	\$ 21,199

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION

Combined Balance Sheet
All Fund Types and Account Groups
September 30, 2006

	Totals - (Memorandum Only) Primary Government	Component Unit	Totals - (Memorandum Only) Reporting Entity
ASSETS AND OTHER DEBITS			
Cash	\$ 146,083	\$ 94,121	\$ 240,204
Receivables:			
Grants receivable	539,846	-	539,846
Notes receivable - current portion	-	8,852	8,852
Notes receivable - non-current portion	-	39,434	39,434
Other receivables	9,675	-	9,675
Prepaid expenses	16,246	-	16,246
Deferred expenses	-	-	-
Due from general fund	25,919	-	25,919
Due from other funds	353,552	-	353,552
Equipment (net)	26,497	-	26,497
Building (Net)	129,755	-	129,755
Land	13,500	-	13,500
TOTAL ASSETS AND OTHER DEBITS	\$ 1,261,073	\$ 142,407	\$ 1,403,480
LIABILITIES			
Accounts payable	\$ 29,590	\$ 1,655	\$ 31,245
Accrued vacation	11,018	-	11,018
Accrued payroll and taxes	8,636	-	8,636
Due to general fund	353,552	-	353,552
Due to other funds	25,919	-	25,919
Deferred revenue	314,525	-	314,525
TOTAL LIABILITIES	\$ 743,240	\$ 1,655	\$ 744,895
FUND EQUITY AND OTHER CREDITS			
Investments in fixed assets	\$ 21,199	\$ -	\$ 21,199
Retained earnings- unreserved	5,860	-	5,860
Retained earnings- reserved	7,300	-	7,300
Fund balance- restricted	-	145,111	145,111
Fund balance- unrestricted	483,474	(4,359)	479,115
TOTAL FUND EQUITY AND OTHER CREDITS	\$ 517,833	\$ 140,752	\$ 658,585
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 1,261,073	\$ 142,407	\$ 1,403,480

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances
 All Governmental Fund Types
 Year Ended September 30, 2006

	General	Special Revenue
REVENUES		
Federal	\$ -	\$ 219,682
State	-	162,863
Other	-	91,104
Contributed funds:		
Counties, cities, villages, townships, and others	65,308	-
Interest Income	3,730	-
TOTAL REVENUES	\$ 69,038	\$ 473,649
EXPENDITURES		
Salaries	\$ -	\$ 177,295
Employee benefits	-	137,333
Travel	-	8,909
Consultants	-	78,175
Indirect costs	-	57,053
Other	-	45,490
Professional fees	-	-
Miscellaneous	-	-
TOTAL EXPENDITURES	\$ -	\$ 504,255
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	\$ 69,038	\$ (30,606)
Other financing sources (uses):		
Transfers in	\$ 7,757	\$ 38,363
Transfers out	72,363	7,757
TOTAL OTHER FINANCING SOURCES (USES)	\$ (64,606)	\$ 30,606
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 4,432	\$ -
Fund balance, beginning of year	\$ 479,043	\$ -
Fund balance, end of year	\$ 483,475	\$ -

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
Year Ended September 30, 2006

	Totals (Memorandum only) Primary Government	Component Units	Totals (Memorandum Only)
REVENUES			
Federal	\$ 219,682	\$ -	\$ 219,682
State	162,863	-	162,863
Other	91,104	-	91,104
Contributed funds:			
Counties, cities, villages, townships, and others	65,308	-	65,308
Interest Income	3,730	3,219	6,949
TOTAL REVENUES	\$ 542,687	3,219	\$ 545,906
EXPENDITURES			
Salaries	\$ 177,295	\$ -	\$ 177,295
Employee benefits	137,333	-	137,333
Travel	8,909	-	8,909
Consultants	78,175	-	78,175
Indirect costs	57,053	-	57,053
Other	45,490	-	45,490
Professional fees	-	800	800
Miscellaneous	-	3,774	3,774
TOTAL EXPENDITURES	\$ 504,255	\$ 4,574	\$ 508,829
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	\$ 38,432	\$ (1,355)	\$ 37,077
Other financing sources (uses):			
Transfers in	\$ 46,120	\$ -	\$ 46,120
Transfers out	80,120	-	80,120
TOTAL OTHER FINANCING SOURCES (USES)	\$ (34,000)	\$ -	\$ (34,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 4,432	\$ (1,355)	\$ 3,077
Fund balance, beginning of year	\$ 479,043	\$ 142,107	\$ 621,150
Fund balance, end of year	<u>\$ 483,475</u>	<u>140,752</u>	<u>\$ 624,227</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
 Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All
 Proprietary Fund Types
 Year Ended September 30, 2006

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
<u>Revenues</u>			
Fees	\$ 24,533	\$ -	\$ 24,533
Allocations of indirect costs to other funds	-	75,815	75,815
Allocation of employee benefits to other funds	-	190,088	190,088
TOTAL OPERATING REVENUES	<u>\$ 24,533</u>	<u>\$ 265,903</u>	<u>\$ 290,436</u>
<u>Expenses</u>			
Salaries	\$ 55,779	\$ 13,710	\$ 69,489
Employee benefits	42,301	10,455	52,756
Travel	985	4,928	5,913
Indirect costs	17,778	-	17,778
Other	3,480	-	3,480
Sick leave	-	8,175	8,175
Vacation leave	-	27,124	27,124
Holidays	-	13,086	13,086
Retirement	-	45,142	45,142
Hospitalization insurance	-	71,632	71,632
Workers compensation insurance	-	2,132	2,132
Payroll taxes	-	22,797	22,797
Utilities (less rent reimbursements)	-	1,087	1,087
Supplies	-	11,654	11,654
Postage	-	4,613	4,613
Depreciation	-	8,750	8,750
Telephone	-	7,082	7,082
Dues, fees, staff conferences	-	1,277	1,277
Audit fees	-	5,200	5,200
Insurance	-	1,073	1,073
Equipment maintenance	-	5,313	5,313
Miscellaneous	-	673	673
TOTAL EXPENSES	<u>\$ 120,323</u>	<u>\$ 265,903</u>	<u>\$ 386,226</u>
Operating Income (loss)	<u>\$ (95,790)</u>	<u>\$ -</u>	<u>\$ (95,790)</u>
Other financing sources:			
Transfer in	<u>\$ 34,000</u>	<u>\$ -</u>	<u>\$ 34,000</u>
Net Income after transfer	<u>\$ (61,790)</u>	<u>\$ -</u>	<u>\$ (61,790)</u>
Retained Earnings, beginning of year	<u>67,650</u>	<u>7,300</u>	<u>74,950</u>
Retained Earnings, end of year	<u>\$ 5,860</u>	<u>\$ 7,300</u>	<u>\$ 13,160</u>

**The accompanying notes to financial statements are an integral part of this statement.*

**WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT
REGIONAL COMMISSION**

Combined Statement of Cash Flows

All Proprietary Fund Types

September 30, 2006

	Enterprise	Internal Service	Totals (Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (95,790)	\$ -	\$ (95,790)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	-	8,750	8,750
Increase (decrease) in grants receivable	72,009	-	72,009
(Increase) decrease in prepaid expenses	-	911	911
Increase (decrease) in accounts payable	2,553	(6,246)	(3,693)
Increase (decrease) in accrued payroll, payroll taxes and vacation pay	(108)	(4,896)	(5,004)
Increase (decrease) in deferred revenues	98,771	-	98,771
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (66,583)	\$ (1,481)	\$ (68,064)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) due to other funds and (increase) decrease from other funds	\$ (2,521)	\$ (13,127)	\$ (15,648)
Transfers from other funds	34,000	-	34,000
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	\$ 31,479	\$ (13,127)	\$ 18,352
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of building and land	\$ -	\$ (2,842)	\$ (2,842)
NET INCREASE (DECREASE) IN CASH	\$ (35,104)	\$ (17,450)	\$ (52,554)
Cash, beginning of year	35,104	20,763	55,867
Cash, end of year	\$ -	\$ 3,313	\$ 3,313

NOTES TO FINANCIAL STATEMENTS

**Western Upper Peninsula Planning and Development
Regional Commission**

NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Western Upper Peninsula Planning and Development Region (WUPPDR) was organized in 1968 and serves the area including the Counties of Baraga, Gogebic, Houghton, Iron, Keweenaw, and Ontonagon in the western region of the Upper Peninsula of the State of Michigan.

WUPPDR's general purpose is to carry on a continuing process of area self-analysis, planning and action to create new economic activity and improve community facilities and service. WUPPDR also serves as a principal coordinator of various activities in the counties designed to stimulate new private and public investments and provide permanent employment and growth opportunities in the area.

Reporting Entity

The Western Upper Peninsula Planning and Development Region (WUPPDR) Commission was formed under the provisions of Public Act 281 of 1945, as amended, of the State of Michigan. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Western Upper Peninsula Planning and Development Regional Commission (the primary entity) and its component unit, the Superior Revolving Loan Fund Administration Board, Inc. (SRLF). The component unit discussed below is included in WUPPDR's reporting entity because of the significance of its operational or financial relationships with WUPPDR.

Individual Component Unit Disclosures

The financial data of the component unit (SRLF) has been included in a separate column in the combined financial statements.

The SRLF is included in the Western Upper Peninsula Planning and Development Region's reporting entity because of the significance of operational and financial relationships it has with the Planning and Development Region. The members of the SRLF board are appointed by the Western Upper Peninsula Planning and Development Regional Commission and WUPPDR has been designated as co-grantee for the SRLF's Economic Development Administration Grant, making WUPPDR financially responsible for SRLF activities.

**Western Upper Peninsula Planning and Development
Regional Commission**

NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The accounts of WUPPDR are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity or retained earnings, revenues, and expenditures or expenses, as appropriate. Grant revenues and local government appropriations are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Fund Types

General Fund – The general fund is used for all financial resources except those that must be accounted for in a special purpose fund and to account for expenditures which are not allowable grant costs.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. For WUPPDR, all grants are accounted for in separate special revenue funds and reported on as such.

Proprietary Fund Types

Enterprise Fund

This fund is also known as the Technical Assistance Fund and has been established to account for activities that are financed and operated in a manner similar to a private business enterprise, where the intent is to recover the costs of providing services to the general public primarily through user charges.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one fund to other funds. The Housekeeping Fund and Indirect Fund are Internal Service type funds utilized by WUPPDR.

Account Group

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise and Internal Service Funds.

Basis of Accounting

The basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

**Western Upper Peninsula Planning and Development
Regional Commission**

NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. WUPPDR recognizes grant revenues in each special revenue fund to the extent of actual expenditures incurred during the year. Revenues not recognized in the current year are deferred to future operating years. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred.

All proprietary funds are accounted for using the accrual basis of accounting. Under full accrual, revenues are recognized when earned, and expenses are recognized when incurred.

Budgets

Budgets for Special Revenue Grant Funds are generally determined at the time of preparing applications for grants and become a part of the internal accounting system and financial reporting system at the time of grant approval and acceptance by the Board of Commissioners.

Due From and To Other Funds

WUPPDR General (Local) Fund is utilized primarily for accounting for resources received from local units of government as matching funds for various other grants. To the extent that certain transactions between the local fund and grant funds were not made during 2005-06, balances of interfund accounts receivable (due from) and payable (due to) have been recorded and reported on the balance sheet.

Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Equipment acquired for general governmental operations is recorded as expenditures in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

Equipment acquired for proprietary funds is capitalized in the respective fund to which it applies.

Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

All internal service funds are accounted for on a cost of services or “capital maintenance” measurement focus. This means that all assets and liabilities (whether current or non-current) associated with an activity are included on their balance sheets.

Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds’ balance sheets. Depreciation is generally reflected over the estimated useful lives of the assets using the straight-line method.

Western Upper Peninsula Planning and Development

Regional Commission

NOTES TO FINANCIAL STATEMENTS

September 30, 2006

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Total Columns on Combined Statements

The total columns on the combined financial statements are captioned Memorandum Only to indicate that amounts are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Consolidation required that interfund eliminations be made in aggregation of this data.

Employee Benefits and Indirect Costs

Employee benefits and indirect costs are initially accumulated and accounted for in the Housekeeping Fund and Indirect Fund respectively. Costs are then allocated monthly to the various grant funds. Employee benefit costs are allocated on the basis of each fund's direct chargeable salaries. Indirect costs are allocated on the basis of each fund's total direct chargeable salaries and employee benefit expenses for the month.

Use of Estimates in Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – CASH AND DEPOSITS

Michigan Compiled Laws, Section 129.91, authorizes the Local Unit to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loans associations; bonds, securities and other direct obligation of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The investment policy as required by Act 196 PA 1997 has been adopted by the Board. Western Upper Peninsula Planning and Development Regional Commission's deposits are in accordance with statutory authority.

The Governmental Accounting Standards Board No. 3, risk disclosure for Western Upper Peninsula Planning and Development Regional Commission's cash deposits are as follows:

**Western Upper Peninsula Planning and Development
Regional Commission**

NOTES TO FINANCIAL STATEMENTS

September 30, 2006

NOTE B – CASH AND DEPOSITS (CONTINUED)

	<u>Carrying Amounts</u>		<u>Total</u>
	<u>Primary Government</u>	<u>Component Unit</u>	
Insured (FDIC)	\$ 146,033	\$ 94,121	\$ 240,154
Uninsured and Uncollateralized	-	-	-
Total Deposits	\$ 146,033	\$ 94,121	\$ 240,154
	<u>Bank Balances</u>		<u>Total</u>
	<u>Primary Government</u>	<u>Component Unit</u>	
Insured (FDIC)	\$ 167,014	\$ 94,121	\$ 261,135
Uninsured and Uncollateralized	-	-	-
Total Deposits	\$ 167,014	\$ 94,121	\$ 261,135

WUPPDR uses a common checking account to account for most grant funds. The common account is a non-interest bearing account due to regulations of Federal and State grantor agencies which often place restrictions on the earning of income on grant funds.

Cash balances by fund in the common checking account at September 30, 2006, were as follows:

<u>Fund</u>	<u>Amount</u>
USDA Multi Use Trail 2006-07	\$ 5,332
Housekeeping	3,263
MSHAA Voucher Program 2006-07	1,500
Houghton County Housing 2005-06	1,555
North Country Renaissance Zone	2,986
TOTAL	\$ 14,636
Plus: Cash on Hand	50
Savings	62,786
Certificate of Deposit	68,611
TOTAL CASH	\$ 146,083

Western Upper Peninsula Planning and Development

Regional Commission
NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE C – FUND EQUITY RESERVES

The fund reserve of \$7,300 in the Indirect Fund was established by WUPPDR management, consistent with prior year practices, to pay for the estimated cost of the annual 2005-2006 audit.

NOTE D – EXCESS GRANT EXPENDITURES

In the 2005-2006 WUPPDR expended funds in excess of those allowed on various grants as follows:

	<u>Excess Expenditures</u>
MDOT Asset Management 2005-2006	\$ 45
MDOT 2005-2006	429
MEDC Technical Assistance 2005	2,213
Calumet Township Housing 2002-2004	5,110
MDOT Access Management Ironwood/Bessemer	1,372
MDOT Roadside Parks 2005-2006	562
MDOT Access Management 2005-2006	19
MDOT Corridor Byway 2005-2006	478
EDA 2005	<u>472</u>
TOTAL	<u>\$ 10,700</u>

The General Fund also transferred \$34,000.00 to the Enterprise Fund.

Local matching amounts are stated as transfers in on the statements of the Special Revenue Funds and are included in the transfers out on the General Fund Statements.

**Western Upper Peninsula Planning and Development
Regional Commission**

**NOTES TO FINANCIAL STATEMENTS
September 30, 2006**

NOTE E – INTERFUND RECEIVABLES AND PAYABLES

The amounts of interfund receivables and payables at September 30, 2006 are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ -	\$ 25,919
EDA 2006	14,769	-
Housekeeping	8,629	-
Technical Assistance	2,521	-
	<u>\$ 25,919</u>	<u>\$ 25,919</u>

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 353,552	\$ -
Indirect	-	141,710
MDOT 2005-2006	-	37,416
MDOT Asset Management 2005-2006	-	8,356
Baraga County Housing 2005-2006	-	15,325
Ontonagon County Housing 2005-2006	-	13,080
Calumet Township Housing 2005-2007	-	36,452
MEDC Technical Assistance 2006	-	5,494
Houghton County Housing 2005-2006	-	6,387
Keweenaw County Housing 2005-2006	-	9,237
MDOT Corridor Byway 2005-2006	-	12,602
MDOT Iron County Heritage Trail	-	2,140
MDOT Collections 2006	-	17,666
MDOT Roadside Parks 2005-2006	-	8,299
MDOT Access Management 2005-2006	-	16,413
SRLF	-	239
EDA 2006	-	5,613
Village of Ontonagon Rental 2006-2007	-	17,123
	<u>\$ 353,552</u>	<u>\$ 353,552</u>

The Superior Revolving Loan Fund (a component unit) owes the Primary Government \$1,655.

NOTE F - CHANGES IN FIXED ASSETS

General Fixed Assets Account Group

A summary of changes in general fixed assets for the year ended September 30, 2006 is as follows:

	<u>10/1/2005</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/2006</u>
Equipment	<u>\$ 21,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,199</u>

**Western Upper Peninsula Planning and Development
Regional Commission**

NOTES TO FINANCIAL STATEMENTS
September 30, 2006

NOTE F– CHANGES IN FIXED ASSETS (CONTINUED)

Internal Service Funds

A summary of fixed assets for the internal service funds for the year ended September 30, 2006 is as follows:

	<u>10/1/2005</u>	<u>Additions</u>	<u>Disposals</u>	<u>9/30/2006</u>
Land	\$ 13,500	\$ -	\$ -	\$ 13,500
Building	134,951	2,842	-	137,793
Equipment	100,914	-	-	100,914
Accumulated Depreciation	<u>(94,904)</u>	<u>(8,750)</u>	<u>-</u>	<u>(103,654)</u>
	<u>\$ 154,461</u>	<u>\$ (5,908)</u>	<u>\$ -</u>	<u>\$ 148,553</u>

Depreciation in the internal service funds is computed using the straight line method over the estimated useful lives of the assets. Depreciation expense for the current period was \$8,750.

NOTE G – ACCRUED VACATION/SICK PAY

Vacation pay is earned at the rate of 13 days per year for the first three years of employment, 21 days for the fourth through sixth years, and then 30 days for the seventh year onward. Vacation pay is vested up to one year's allotment of vacation time for each employee. Accrued vacation is calculated using current rates of pay and totaled \$11,018 at September 30, 2006.

Sick leave is accumulated at the rate of 1 day per month with an additional day on employment anniversary month. Sick leave is not payable to employees upon termination.

**Western Upper Peninsula Planning and Development
Regional Commission**

NOTES TO FINANCIAL STATEMENTS

September 30, 2006

**NOTE H- SIMPLIFIED EMPLOYEE PENSION PROGRAM AND POST-
EMPLOYMENT BENEFITS OTHER THAN PENSION**

During fiscal year 2005-2006, WUPPDR established a defined benefit retirement plan for its employees. All new full time employees are also eligible and became fully vested after ten years. Contributions made to the pension plan are charged to expense annually. WUPPDR has no fiduciary responsibility and no further liability for this plan other than making contributions.

Additional information about this plan is available from the Michigan Municipal Employees Retirement System (MERS) at 447 North Canal Street, Lansing, MI 48917-9755.

Beginning in fiscal year 1997-1998, WUPPDR's Board of Directors introduced a policy providing post-employment benefits other than a pension. When money is available in the budget, up to \$500 a year for each full-time employee is placed in savings accounts to provide for medical insurance and expenses upon employees leaving employment. Funding is provided on a pay-as-you-go basis. Presently seven employees are eligible and receiving this benefit. Total cost of this benefit amounted \$3,500 in fiscal year 2002-2003 and \$3,000 in fiscal year 2003-2004. No money was provided for this benefit in 2004-2005, \$2,500 was provided in 2005-06.

NOTE I – RESRICTED ASSETS/DEFERRED COMPENSATION PLAN

Western Upper Peninsula Planning and Development Regional Commission offers their employees a deferred compensation plan created in accordance with IRC Section 457.

Western Upper Peninsula Planning and Development Regional Commission neither acts as the trustee nor has any management involvement in the plan.

The plan does not meet the reporting criteria defined in NCGA Statement 1, paragraph 26 (3) (8), consequently its financial statements are not presented herein.

NOTE J – GOVERNMENTAL FUND TYPE BUDGETS

WUPPDR adopts budgets for all of its special revenue grant funds, at the time of the grant award, based on the fiscal period(s) of the particular grant rather than on WUPPDR's October 1 through September 30 fiscal year as required. This is not in compliance with the state budgeting and accounting act nor is it in accordance with the generally accepted accounting principles for governmental units. These require that WUPPDR adopt annual budgets for all of their governmental funds based on WUPPDR's fiscal year. Accordingly, the general purpose financial statements do not include a combined statement of revenues, expenditures and changes in fund balance, budget and actual, as required.

**Western Upper Peninsula Planning and Development
Regional Commission**

**NOTES TO FINANCIAL STATEMENTS
September 30, 2006**

NOTE K – COMPONENT UNIT (SRLF)

Notes Receivable consist of loans made to local businesses. The notes are unsecured, bear an interest rate of 4.25% to 6% and require monthly payments through the year 2012. An analysis of the changes in notes receivable from September 30, 2005 through September 30, 2006 are as follows:

	Wood Development Corp.	Bruce Mattila Logging	Copper Harbor Mercantile	Totals
Receivable balance at 9/30/05	\$ 34,236	\$ 4,529	\$ -	\$ 38,765
New Loans	-	-	18,000	18,000
Principal payment received during FYE 9/30/06	8,321	-	158	8,479
Loan receivable balance at 9/30/06	<u>\$ 25,915</u>	<u>\$ 4,529</u>	<u>\$ 17,842</u>	<u>\$ 48,286</u>

Restricted Net Assets

The Superior Revolving Loan Fund Administration Board, Inc.'s plan submitted to the EDA as a part of the grant application, stipulates that up to fifty percent (50%) of program income from interest earnings and application fees may be used to cover administration costs. All other program income is restricted to be used for future lending purposes only.

Revolving Loan Fund – Program Income

Pursuant to the Revolving Loan Fund Plan approved by EDA, Superior Revolving Loan Fund Administration Board, Inc. is allowed to use up to 50% of program income to cover administrative expenses. The remainder of the program income is to be used to make new loans. For the year ended September 30, 2006 the total amounts of administrative expenses were \$4,573 which exceeded the allowed totals.

Related Party Transaction

For the year ended September 30, 2006 WUPPDR charged the Superior Revolving Loan Fund Administration Board, Inc. \$1,655, for various administrative services, all of which were due to WUPPDR at year end.

SUPPLEMENTAL INFORMATION

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
GENERAL FUND
Detailed Statement of Transfers to other Funds
Year Ended September 30, 2006

EDA 2005	\$ 472
MDOT Access Ironwood/Bessemer	1,372
MDOT Roadside Park	562
MEDC Technical Assistance 2005	2,213
MDOT Asset Management 2005-2006	45
MDOT Corridor Byway 2005-2006	478
MDOT 2005-2006	429
Calumet Township Housing 2002-2004	5,110
MDOT Access Management 2005-2006	19
Technical Assistance	<u>34,000</u>
 TOTAL TRANSFERS TO OTHER FUNDS	 <u><u>\$ 44,700</u></u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2006

	<u>SRLF</u>	<u>Houghton County Housing 2005-06</u>	<u>Keweenaw County Housing 2005-06</u>	<u>Calumet Township Housing 2005-07</u>
<u>ASSETS</u>				
Current assts:				
Cash	\$ -	\$ 1,555	\$ -	\$ -
Grants receivable	1,655	5,346	11,156	88,184
Due from general fund	-	-	-	-
TOTAL CURRENT ASSETS	<u>\$ 1,655</u>	<u>\$ 6,901</u>	<u>\$ 11,156</u>	<u>\$ 88,184</u>
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable	\$ -	\$ 190	\$ -	\$ 346
Accrued payroll & taxes	-	61	336	489
Due to general fund	239	6,387	9,237	36,452
Deferred revenue	1,416	263	1,583	50,897
TOTAL CURRENT LIABILITIES	<u>\$ 1,655</u>	<u>\$ 6,901</u>	<u>\$ 11,156</u>	<u>\$ 88,184</u>
<u>FUND EQUITY</u>				
Fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,655</u>	<u>\$ 6,901</u>	<u>\$ 11,156</u>	<u>\$ 88,184</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2006

	Ontonagon County Housing 2005-06	MDOT Corridor Byway 2005-06	MDOT Asset Management 2005-06
<u>ASSETS</u>			
Current assts:			
Cash	\$ -	\$ -	\$ -
Grants receivable	14,071	13,845	25,977
Due from general fund	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>\$ 14,071</u>	<u>\$ 13,845</u>	<u>\$ 25,977</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	\$ -	\$ -	\$ 15,716
Accrued payroll & taxes	-	1,243	-
Due to general fund	13,080	12,602	8,356
Deferred revenue	991	-	1,905
	<u>991</u>	<u>-</u>	<u>1,905</u>
TOTAL CURRENT LIABILITIES	<u>\$ 14,071</u>	<u>\$ 13,845</u>	<u>\$ 25,977</u>
<u>FUND EQUITY</u>			
Fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 14,071</u>	<u>\$ 13,845</u>	<u>\$ 25,977</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2006

	EDA 2006	MDOT Access Management 2005-06	MDOT Data Collection 2006
<u>ASSETS</u>			
Current assts:			
Cash	\$ -	\$ -	\$ -
Grants receivable	13,907	\$ 16,413	20,000
Due from general fund	14,769	-	-
	<u>14,769</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u><u>\$ 28,676</u></u>	<u><u>\$ 16,413</u></u>	<u><u>\$ 20,000</u></u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll & taxes	1,618	-	-
Due to general fund	5,613	\$ 16,413	17,666
Deferred revenue	21,445	-	2,334
	<u>21,445</u>	<u>-</u>	<u>2,334</u>
TOTAL CURRENT LIABILITIES	<u><u>\$ 28,676</u></u>	<u><u>\$ 16,413</u></u>	<u><u>20,000</u></u>
<u>FUND EQUITY</u>			
Fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 28,676</u></u>	<u><u>\$ 16,413</u></u>	<u><u>\$ 20,000</u></u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2006

	RBEG Multi-Use Trail 2006-07	MDOT 2005-06	Baraga County Housing 2005-06	Calumet Twp Housing 2002-04
<u>ASSETS</u>				
Current assets:				
Cash	\$ 5,332	\$ -	\$ -	\$ -
Grants receivable	18,000	38,000	15,731	-
Due from general fund	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>\$ 23,332</u>	<u>\$ 38,000</u>	<u>\$ 15,731</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ 380	\$ -
Accrued payroll & taxes	-	584	-	-
Due to general fund	-	37,416	15,325	-
Deferred revenue	23,332	-	26	-
	<u>23,332</u>	<u>-</u>	<u>26</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>\$ 23,332</u>	<u>\$ 38,000</u>	<u>\$ 15,731</u>	<u>\$ -</u>
<u>FUND EQUITY</u>				
Fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 23,332</u>	<u>\$ 38,000</u>	<u>\$ 15,731</u>	<u>\$ -</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2006

	<u>MDOT 2004-2005</u>	<u>MDOT Corridor 2004-05</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ -	\$ -
Grants receivable	-	-
Due from general fund	-	-
	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	\$ -	\$ -
Accrued payroll & taxes	-	-
Due to general fund	-	-
Deferred revenue	-	-
	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>\$ -</u>	<u>\$ -</u>
<u>FUND EQUITY</u>		
Fund balance	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ -</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2006

	MEDC Technical Assistance 2006	MDOT Access-Mngt Ontonagon 2005-06
<u>ASSETS</u>		
Current assets:		
Cash	\$ -	\$ -
Grants receivable	11,920	-
Due from general fund	-	-
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	\$ 11,920	\$ -
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable	\$ -	\$ -
Accrued payroll & taxes	388	-
Due to general fund	5,494	-
Deferred revenue	6,038	-
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	\$ 11,920	\$ -
	<hr/>	<hr/>
<u>FUND EQUITY</u>		
Fund balance	\$ -	\$ -
	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 11,920	\$ -
	<hr/>	<hr/>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2006

	North Country Renaissance Zone	MSHDA Voucher Program 2006-07	Ontonagon Village Rental 2006-07
	<hr/>	<hr/>	<hr/>
<u>ASSETS</u>			
Current assts:			
Cash	\$ 2,986	\$ 1,500	\$ -
Grants receivable	9,500	-	43,900
Due from general fund	-	-	-
	<hr/>	<hr/>	<hr/>
TOTAL CURRENT ASSETS	\$ 12,486	\$ 1,500	\$ 43,900
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable	\$ -	\$ -	\$ 540
Accrued payroll & taxes	-	-	566
Due to general fund	-	-	17,123
Deferred revenue	12,486	1,500	25,671
	<hr/>	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	\$ 12,486	\$ 1,500	\$ 43,900
	<hr/>	<hr/>	<hr/>
<u>FUND EQUITY</u>			
Fund balance	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND EQUITY	\$ 12,486	\$ 1,500	\$ 43,900
	<hr/>	<hr/>	<hr/>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2006

	MEDC Technical Assistance 2005	MDOT Access Ironwood/ Bessemer	MDOT Roadside Parks 2005-06
ASSETS			
Current assets:			
Cash	\$ -	\$ -	\$ -
Grants receivable	-	-	17,232
Due from general fund	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,232</u></u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ -	\$ -	\$ 8,700
Accrued payroll & taxes	-	-	233
Due to general fund	-	-	8,299
Deferred revenue	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,232</u></u>
FUND EQUITY			
Fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,232</u></u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Balance Sheet
September 30, 2006

	EDA 2005	Hazardous Mitigation	MDOT Iron Co Heritage Trail	Totals
<u>ASSETS</u>				
Current assets:				
Cash	\$ -	\$ -	\$ -	\$ 11,373
Grants receivable	-	-	60,000	424,837
Due from general fund	-	-	-	14,769
	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,769</u>
TOTAL CURRENT ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 450,979</u>
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ 25,872
Accrued payroll & taxes	-	-	268	5,786
Due to general fund	-	-	2,140	211,842
Deferred revenue	-	-	57,592	207,479
	<u>-</u>	<u>-</u>	<u>57,592</u>	<u>207,479</u>
TOTAL CURRENT LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 450,979</u>
<u>FUND EQUITY</u>				
Fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,000</u>	<u>\$ 450,979</u>

* The accompanying notes to financial statements are an interagral part of this statement

WESTERN UPPER PENINSULA AND PLANNING DEVELOPMENT REGIONAL COMMISSION

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended September 30, 2006

	<u>SRLF</u>	<u>Houghton County Housing 2005-06</u>	<u>Keweenaw County Housing 2005-06</u>	<u>MDOT Access-Mngt Ontonagon 2004-05</u>
REVENUES				
Federal	\$ -	\$ -	\$ -	\$ 586
State	1,658	-	-	146
Other	-	19,613	10,048	-
TOTAL REVENUES	\$ 1,658	\$ 19,613	\$ 10,048	\$ 732
EXPENDITURES				
Salaries	\$ 692	\$ 8,785	\$ 4,457	\$ -
Employee Benefits	477	6,394	3,280	-
Travel	270	-	-	72
Consultants	-	-	-	-
Indirect costs	219	1,725	1,321	-
Other	-	2,709	990	-
TOTAL EXPENDITURES	\$ 1,658	\$ 19,613	\$ 10,048	\$ 72
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ -	\$ 660
Other financing sources (uses):				
Transfers In	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	(660)
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ 660
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
Fund balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended September 30, 2006

	<u>Ontonagon County Housing 2005-06</u>	<u>Calumet Township Housing 2005-07</u>	<u>MDOT Corridor Byway 2005-06</u>	<u>MDOT Asset Management 2005-06</u>
<u>REVENUES</u>				
Federal	\$ -	\$ -	\$ 33,000	\$ -
State	-	-	8,250	34,867
Other	<u>11,864</u>	<u>36,020</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>\$ 11,864</u>	<u>\$ 36,020</u>	<u>\$ 41,250</u>	<u>\$ 34,867</u>
<u>EXPENDITURES</u>				
Salaries	\$ 5,471	\$ 16,679	\$ 18,947	\$ 8,282
Employee Benefits	4,056	12,473	14,760	6,610
Travel	-	179	2,019	1,302
Consultants	-	-	-	-
Indirect costs	1,677	5,187	5,988	2,874
Other	<u>660</u>	<u>1,502</u>	<u>14</u>	<u>15,844</u>
TOTAL EXPENDITURES	<u>\$ 11,864</u>	<u>\$ 36,020</u>	<u>\$ 41,728</u>	<u>\$ 34,912</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (478)</u>	<u>\$ (45)</u>
Other financing sources (uses):				
Transfers In	\$ -	\$ -	\$ 478	\$ 45
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478</u>	<u>\$ 45</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
Fund balance, beginning of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 2006

	MDOT Data Collections 2006	EDA 2006	MDOT Access Management 2005-06
REVENUES			
Federal	\$ 14,135	\$ 48,952	\$ 77,600
State	3,531	-	19,400
Other	-	-	-
TOTAL REVENUES	\$ 17,666	\$ 48,952	\$ 97,000
EXPENDITURES			
Salaries	\$ 7,677	\$ 32,449	\$ 6,670
Employee Benefits	6,967	26,638	5,174
Travel	119	875	964
Consultants	-	-	69,175
Indirect costs	2,903	11,303	2,159
Other	-	4	12,877
TOTAL EXPENDITURES	\$ 17,666	\$ 71,269	\$ 97,019
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ (22,317)	\$ (19)
Other financing sources (uses):			
Transfers In	\$ -	\$ 22,317	\$ 19
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES	\$ -	\$ 22,317	\$ 19
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
Fund balance, beginning of year	\$ -	\$ -	\$ -
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 2006

	RBEG Multi Use Trail 2006-07	MDOT 2005-06	Baraga County Housing 2005-06
<u>REVENUES</u>			
Federal	\$ -	\$ -	\$ -
State	-	38,000	-
Other	668	-	12,726
	<u>668</u>	<u>-</u>	<u>12,726</u>
TOTAL REVENUES	\$ 668	\$ 38,000	\$ 12,726
<u>EXPENDITURES</u>			
Salaries	\$ 258	\$ 17,548	\$ 5,111
Employee Benefits	217	13,421	3,677
Travel	97	1,614	-
Consultants	-	-	300
Indirect costs	96	5,794	1,558
Other	-	52	2,080
	<u>-</u>	<u>52</u>	<u>2,080</u>
TOTAL EXPENDITURES	\$ 668	\$ 38,429	\$ 12,726
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ (429)	\$ -
Other financing sources (uses):			
Transfers In	\$ -	\$ 429	\$ -
Transfers Out	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	\$ -	\$ 429	\$ -
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
Fund balance, beginning of year	\$ -	\$ -	\$ -
Fund balance, end of year	\$ -	\$ -	\$ -

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 2006

	MEDC Technical Assistance 2005	MDOT Access Ironwood/ Bessemer	MDOT Roadside Parks 2005-06	MDOT 2004-05
<u>REVENUES</u>				
Federal	\$ -	\$ -	\$ 19,600	\$ -
State	6,054	71	4,900	-
Other	-	-	-	122
TOTAL REVENUES	\$ 6,054	\$ 71	\$ 24,500	\$ 122
<u>EXPENDITURES</u>				
Salaries	\$ 4,218	\$ -	\$ 7,363	\$ -
Employee Benefits	2,742	-	6,187	-
Travel	129	-	243	-
Consultants	-	-	8,700	-
Indirect costs	1,178	-	2,569	-
Other	-	1,443	-	-
TOTAL EXPENDITURES	\$ 8,267	\$ 1,443	\$ 25,062	\$ -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (2,213)	\$ (1,372)	\$ (562)	\$ 122
Other financing sources (uses):				
Transfers In	\$ 2,213	\$ 1,372	\$ 562	\$ (122)
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	\$ 2,213	\$ 1,372	\$ 562	\$ (122)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
Fund balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 2006

	Calumet Twp Housing 2002-04	North Country Renaissance Zone	MSHDA Voucher Program 2006-07	Ontonagon Village Rental 2006-07
<u>REVENUES</u>				
Federal	\$ -	\$ -	\$ -	\$ -
State	-	-	-	18,229
Other	-	43	-	-
TOTAL REVENUES	\$ -	\$ 43	\$ -	\$ 18,229
<u>EXPENDITURES</u>				
Salaries	\$ -	\$ -	\$ -	\$ 7,310
Employee Benefits	-	-	-	6,030
Travel	-	-	-	140
Consultants	-	-	-	-
Indirect costs	-	-	-	2,589
Other	5,110	43	-	2,160
TOTAL EXPENDITURES	\$ 5,110	\$ 43	\$ -	\$ 18,229
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (5,110)	\$ -	\$ -	\$ -
Other financing sources (uses):				
Transfers In	\$ 5,110	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	\$ 5,110	\$ -	\$ -	\$ -
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES				
Fund balance, beginning of year	\$ -	\$ -	\$ -	\$ -
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

**The accompanying notes to financial statements are an integral part of this statement.*

**WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 2006

	MDOT Corridor 2004-05	MEDC Technical Assistance 2006	EDA 2005
REVENUES			
Federal	\$ -	\$ -	\$ 16,641
State	215	27,542	-
Other	-	-	-
TOTAL REVENUES	\$ 215	\$ 27,542	\$ 16,641
EXPENDITURES			
Salaries	\$ -	\$ 12,487	\$ 11,867
Employee Benefits	-	9,937	7,362
Travel	-	868	-
Consultants	-	-	-
Indirect costs	-	4,248	3,230
Other	-	2	-
TOTAL EXPENDITURES	\$ -	\$ 27,542	\$ 22,459
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 215	\$ -	\$ (5,818)
Other financing sources (uses):			
Transfers In	\$ -	\$ -	\$ 5,818
Transfers Out	(215)	-	-
TOTAL OTHER FINANCING SOURCES	\$ (215)	\$ -	\$ 5,818
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
Fund balance, beginning of year	\$ -	\$ -	\$ -
Fund balance, end of year	\$ -	\$ -	\$ -

**The accompanying notes to financial statements are an integral part of this statement.*

**WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 2006

	Hazardous Mitigation	MDOT Iron Co Heritage Trail	Totals
<u>REVENUES</u>			
Federal	\$ 6,760	\$ 2,408	\$ 219,682
State	-	-	162,863
Other	-	-	91,104
TOTAL REVENUES	\$ 6,760	\$ 2,408	\$ 473,649
<u>EXPENDITURES</u>			
Salaries	\$ -	\$ 1,024	\$ 177,295
Employee Benefits	-	931	137,333
Travel	-	18	8,909
Consultants	-	-	78,175
Indirect costs	-	435	57,053
Other	-	-	45,490
TOTAL EXPENDITURES	\$ -	\$ 2,408	\$ 504,255
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ (30,606)
Other financing sources (uses):			
Transfers In	\$ -	\$ -	\$ 38,363
Transfers Out	(6,760)	-	(7,757)
TOTAL OTHER FINANCING SOURCES	\$ (6,760)	\$ -	\$ 30,606
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
Fund balance, beginning of year	\$ -	\$ -	\$ -
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The accompanying notes to financial statements are an integral part of this statement.*

INTERNAL SERVICE FUNDS

WESTERN UPPER PENNINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
INTERNAL SERVICE FUNDS
Combining Balance Sheet
September 30, 2006

	<u>Indirect</u>	<u>Housekeeping</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash	\$ 50	\$ 3,263	\$ 3,313
Prepaid expenses	1,063	414	1,477
Due from general fund	-	8,629	8,629
Equipment (net)	5,298	-	5,298
Building and improvements (net)	129,755	-	129,755
Land	<u>13,500</u>	<u>-</u>	<u>13,500</u>
 TOTAL ASSETS	 <u>\$ 149,666</u>	 <u>\$ 12,306</u>	 <u>\$ 161,972</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 432	\$ -	\$ 432
Accrued vacation pay	-	11,018	11,018
Accrued payroll & taxes	224	1,288	1,512
Due to general fund	<u>141,710</u>	<u>-</u>	<u>141,710</u>
 TOTAL CURRENT LIABILITIES	 <u>\$ 142,366</u>	 <u>\$ 12,306</u>	 <u>\$ 154,672</u>
<u>FUND EQUITY</u>			
Retained earnings- reserved	<u>\$ 7,300</u>	<u>\$ -</u>	<u>\$ 7,300</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 149,666</u>	 <u>\$ 12,306</u>	 <u>\$ 161,972</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT COMMISSION
INTERNAL SERVICE FUNDS
Combining Statement of Revenues, Expenses and Changes in Retained Earnings
Year Ended September 30, 2006

	<u>Indirect</u>	<u>Housekeeping</u>	<u>Totals</u>
<u>REVENUES</u>			
Allocation of indirect costs to other funds	\$ 75,815	\$ -	\$ 75,815
Allocation of employees benefits to other funds	-	190,088	190,088
TOTAL OPERATING REVENUES	<u>\$ 75,815</u>	<u>\$ 190,088</u>	<u>\$ 265,903</u>
<u>EXPENDITURES</u>			
Sick leave	\$ -	\$ 8,175	\$ 8,175
Vacation leave	-	27,124	27,124
Holidays	-	13,086	13,086
Retirement	-	45,142	45,142
Hospitalization insurance	-	71,632	71,632
Workers compensation insurance	-	2,132	2,132
Payroll taxes	-	22,797	22,797
Chargeable salaries	13,710	-	13,710
Employee benefits allocation	10,455	-	10,455
Travel	4,928	-	4,928
Utilities (less: rent reimbursements)	1,087	-	1,087
Supplies	11,654	-	11,654
Postage	4,613	-	4,613
Depreciation	8,750	-	8,750
Telephone	7,082	-	7,082
Dues, fees, staff conferences	1,277	-	1,277
Audit fees	5,200	-	5,200
Insurance	1,073	-	1,073
Equipment	5,313	-	5,313
Miscellaneous	673	-	673
TOTAL EXPENSES	<u>\$ 75,815</u>	<u>\$ 190,088</u>	<u>\$ 265,903</u>
OPERATING INCOME	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Retained earnings, beginning of year	<u>\$ 7,300</u>	<u>\$ -</u>	<u>\$ 7,300</u>
Retained earnings, end of year	<u><u>\$ 7,300</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,300</u></u>

**The Accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
INTERNAL SERVICE FUNDS
Combining Balance Sheet
September 30, 2006

	<u>Indirect</u>	<u>Housekeeping</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	8,750	-	8,750
(Increase) decrease in prepaid expenses	(172)	1,083	911
Increase (decrease) in accounts payable	(1,235)	(5,011)	(6,246)
Increase (decrease) in accrued payroll, payroll taxes and vacation pay	(3)	(4,893)	(4,896)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 7,340</u>	<u>\$ (8,821)</u>	<u>\$ (1,481)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Increase (decrease) in due to other funds	<u>\$ (4,498)</u>	<u>\$ (8,629)</u>	<u>\$ (13,127)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of Capital Assets	<u>\$ (2,842)</u>	<u>\$ -</u>	<u>\$ (2,842)</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ -</u>	<u>\$ (17,450)</u>	<u>\$ (17,450)</u>
Cash, beginning of year	<u>50</u>	<u>20,713</u>	<u>20,763</u>
Cash, end of year	<u><u>\$ 50</u></u>	<u><u>\$ 3,263</u></u>	<u><u>\$ 3,313</u></u>

* The accompanying notes to financial statements are an interagral part of this statement

WESTERN UPPER PENNINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
INDIRECT FUND
Detailed Statement of Allocations
Year Ended September 30, 2006

ALLOCATIONS

Technical Assistance	\$ 17,778
Superior Revolving Loan	219
EDA 2005	3,230
MEDC Technical Assistance 2006	4,248
MDOT 2005-2006	5,794
EDA 2006	11,303
Baraga County Housing 2005-2006	1,558
Ontonagon County Housing 2005-2006	1,677
MDOT Access-Mngt 2005-2006	2,159
MEDC Technical Assistance 2005	1,179
Houghton County Housing 2005-2006	2,709
Keweenaw County Housing 2005-2006	1,321
MDOT Corridor 2004-2005	5,988
MDOT Asset Management 2004-2005	2,874
Calumet Township Housing 2005-2007	5,187
RBEG Multi-Use Trail 2006-2007	96
Iron Co. Heritage Trail 2006-2007	435
MDOT Data Collections 2006	2,902
MDOT Roadside Parks 2005-2006	2,569
Village of Ontonagon Rental 2006-2007	<u>2,589</u>
 TOTAL ALLOCATIONS	 <u>\$ 75,815</u>

**The accompanying notes to financial statements are an integral part of this statement.*

WESTERN UPPER PENNINSULA PLANNING AND DEVELOPMENT REGIONAL COMMISSION
HOUSEKEEPING FUND
Detailed Statement of Allocations
Year Ended September 30, 2006

ALLOCATIONS

Indirect	\$ 10,455
Technical Assistance	42,299
Superior Revolving Loan	477
EDA 2006	26,638
MDOT 2005-2006	13,421
MEDC Technical Assistance 2006	9,937
Baraga County Housing 2005-2006	3,677
Ontonagon County Housing 2005-2006	4,057
EDA 2005	7,362
MDOT Access-Mngt 2005-2006	5,174
MEDC Technical Assistance 2005	2,741
Houghton County Housing 2005-2006	6,394
Keweenaw County Housing 2005-2006	3,280
MDOT Corridor 2005-2006	14,760
MDOT Asset Management 2005-2006	6,610
Calumet Township Housing 2005-2007	12,473
RBEG Multi-Use Trail 2006-2007	217
Iron Co. Heritage Trail 2006-2007	931
MDOT Data Collections 2006	6,968
MDOT Roadside Parks 2005-2006	6,187
Village of Ontonagon Rental 2006-2007	6,030
	<hr/>
TOTAL ALLOCATIONS	\$ 190,088
	<hr/>

**The accompanying notes to financial statements are an integral part of this statement.*

Jutila, Jorgenson, and Associates PC
P.O. Box 175
Houghton, MI 49931-0175
906-482-2358
February 20, 2007

COMMENTS AND RECOMMENDATIONS LETTER

Board of Commissioners
Western Upper Peninsula Planning
and Development Regional Commission
Houghton, Michigan 49931

In connection with our audit of the financial statements of the Western Upper Peninsula Planning and Development Regional Commission, for the year ended September 30, 2006, the following concerns regarding the accounting records, procedures, and internal accounting controls came to our attention and are presented for your consideration.

Our comments are based upon conditions noted during our audit and are not intended to be all inclusive. These comments are submitted as constructive suggestions to assist you in strengthening controls and procedures.

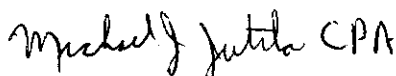
Governmental Fund Type Budgets (Repeat of prior years' comment)

The State budget and accounting act requires that all governmental units adopt and maintain balanced budgets for all governmental fund types based on the fiscal year of the organization. Currently WUPPDR adopts budgets for all special revenue grand funds based on the fiscal period of the particular grant rather than on WUPPDR's October 1st through September 30th fiscal year and has no budget for the local fund. We recognize that preparing a budget for each special revenue fund based on WUPPDR's fiscal year would be cumbersome and impractical, however that is what would be required to be in compliance with this act.

We would like to thank the administrative staff for the excellent cooperation we received during our audit. We appreciate the opportunity to present these comments and recommendations for your consideration and we are prepared to discuss them at your convenience.

This report is intended solely for the use of management and the governmental regulatory agencies and should not be used for any other purposes.

Respectfully submitted,



Michael J. Jutila, CPA
Certified Public Accountant
Jutila, Jorgenson, and Associates PC